

17 October 1967

MEMORANDUM FOR THE RECORD

SUBJECT : Meeting with Mr. Lally of the Department of Transportation

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1. At his request Mr. Richard F. Lally, Director of Investigations and Security, Department of Transportation, accompanied by Mr. Stanley Holden and Mr. William Deeter, met in my office with [redacted] Mr. Osborn and me to discuss Mr. Lally's request for membership on the Technical Surveillance Countermeasures Committee (TSCC), as reflected in his letter of 5 June and my response of 9 June 1967. The discussion followed the lines of the attached "Talking Paper".

2. Mr. Lally explained the need of his Department to keep up to date on a current basis with developments in the technical surveillance countermeasures field, which they thought could best be accomplished through attendance at meetings of the TSCC's Audio Countermeasures Subcommittee. He based this need on the responsibilities of his Department in this field, primarily relating to FAA and USCG. He also cited the general responsibilities of his office for defense against technical penetrations in the office of the Secretary of Transportation and other areas where classified material may be handled and discussed. He indicated that FAA liaison with the Air Force and Coast Guard liaison with the Navy did not currently involve an exchange of countermeasures information.

3. I explained orally the coordinating responsibility of the DCI, advised and assisted by USIB and supported by TSCC, and his instructions to CIA regarding assistance to the Department of Transportation, as expressed in the attached "Talking Paper".

4. Mr. Osborn then explained in some detail the ways in which CIA, and specifically [redacted] office, was prepared to provide information and assistance on a periodic or continuing basis to keep the Department of Transportation abreast of developments in the technical surveillance countermeasures field. Specifically, he suggested that Mr. Lally might designate a liaison officer with CIA who could be kept informed of latest developments whenever he visited the Agency. Mr. Osborn noted that this would not only provide Transportation with the benefits derived from TSCC deliberations but would also keep Mr. Lally's office up to date on the latest countermeasures knowledge and experience gained by CIA in its own operational program.

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5. [redacted] and Mr. Osborn explained that this would be a much more effective way of helping the Department of Transportation in this field as compared with attendance at monthly meetings of the TSCC or its subcommittee. We stressed the point that the TSCC membership was limited to USIB agencies.

6. After considerable discussion Mr. Lally agreed with the procedure proposed by Mr. Osborn, and designated Mr. Holden as his liaison officer. Mr. Osborn said that he would arrange a briefing for Mr. Lally and members of his staff as an initial step in accordance with the agreed arrangements. [redacted] offered to advise Mr. Lally or Mr. Holden with respect to any assistance in this field they might obtain from other members of the intelligence community. He specifically mentioned the wide knowledge and experience of the State Department, and the possible liaison between FAA and Air Force and between Coast Guard and Navy in their specialized types of countermeasures activities.

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[redacted]
Executive Secretary, USIB

cc: Mr. Bross
Mr. Osborn

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SECRET

TALKING PAPER
WITH
MR. LALLY, DEPARTMENT OF TRANSPORTATION

- Suggest that it would be most helpful if Mr. Lally would begin by discussing the responsibilities and activities of the Department of Transportation related to technical surveillance countermeasures.
- Then explain that, by White House directive, the Director of Central Intelligence (DCI), with the advice and assistance of the United States Intelligence Board (USIB), is responsible for coordination of technical surveillance countermeasures conducted by the intelligence community, and research and development activities in the counter-audio field. The Technical Surveillance Countermeasures Committee (TSCC) was established to support the Board in its role of advising and assisting the DCI in this field.
- In accordance with his coordinating function, Mr. Helms has instructed the Central Intelligence Agency to ensure that the Department of Transportation is provided such information and assistance by the intelligence community as may be needed to carry out that Department's responsibilities in the technical surveillance countermeasures field.
- While limiting membership in the TSCC to USIB agencies, Mr. Helms would like the Department of Transportation to feel free to raise with CIA

or other appropriate elements of the intelligence community any questions or problems relating to technical surveillance countermeasures on which it needs help or advice.

- With the benefit of Mr. Lally's description of his Department's functions,
25X1 [redacted] and Mr. Osborn will explain the various means by
which Mr. Helms' instructions could be carried out.